



RESPONSE TO SGX QUERIES IN RELATION TO THE COMPANY'S ANNUAL REPORT FOR FY2011

The Company has received the following queries from the Singapore Exchange in relation to its Annual Report for FY2011. The following are the Company's response to the queries:-

1) For the purpose of complying with Listing Rule 1207(10), please note that:-

- a) "Absence of evidence to the contrary" disclaimer is NOT allowed in the opinion;**
- b) The Board and the Audit Committee must opine whether the internal controls are adequate to address all 3 areas of risks (i.e. financial, operational and compliance risks). "In its current business environment", "business operations" without mention of all the 3 risks areas are not acceptable; and**
- c) Both the Board and the AC must provide the opinion; "The Board and the AC believes" is not acceptable.**

We note that the confirmation provided in your annual report is not consistent with some of the guidelines stated above. Hence, please announce a clean opinion that is in compliance with Listing Rule 1207(10).

Based on the Group's established internal controls, reviews performed by internal and external auditors as well as reviews by Management and various Board Committees, the Board and the Audit Committee are of the opinion that there are adequate internal controls to address risks relating to financial, operational and compliance matters.

2) Please let us know whether the Company has announced the decrease in shareholding interests held by the Company in Environment Management Technology Pte. Ltd. and After Market Solutions (CE) Sdn. Bhd. in FY2011 (Pages 64 and 65 of the Annual Report). If no announcement was made previously, please make an announcement to disclose this information.

A. Environment Management Technology Pte. Ltd.

With reference to the Company's announcement on 19 October 2009, the creditors' voluntary liquidation of Environment Management Technology was completed on 31 December 2010 ("Liquidation").

B. After Market Solutions (CE) Sdn. Bhd.

Further to the Company's announcement on 16 June 2011 on striking off of AMS (CE) Pte Ltd from the Register of Accounting and Corporate Regulatory Authority of Singapore, AMS (CE) Sdn. Bhd. being a wholly owned subsidiary of AMS (CE) Pte. Ltd. ceased to be a subsidiary of the Group ("Disposal").

The Liquidation and Disposal did not have any material impact on the net tangible assets or earnings per share of the Company for the financial year ended December 2010 and 2011, respectively.

BY ORDER OF THE BOARD

PHILIP ENG HENG NEE

Director
25 April 2012